

**MINUTES**  
**Downtown Development Authority**  
**Regular Meeting of Board of Directors**

**July 18, 1997**  
**233 S. 5<sup>th</sup> Street, C.D. Smith Building**

**Present - Chris Launer, Karen Hayashi, Bill Petty, Bruce Bengel, Becky Brehmer, Diana Osborne, Kathleen Killian, Gene Kinsey, Pat Gormley, Barbara Creasman, Lisa Nassour**

**Absent - Bruce Hill, Mark Hermundstad**

**CALL TO ORDER**

The meeting was called to order by Chairman, Chris Launer at 7:30 a.m.

**APPROVAL OF MINUTES**

Bill Petty made a motion to approve the minutes of June 6, 1997; Gene Kinsey seconded the motion; motion carried.

**FINANCIAL REPORTS - May & June**

Barbara reported that there are no significant occurrences in the financial report and that all revenue and expense is on schedule and as expected. Barbara briefly explained the Tax Increment Financing concept, and the difference in revenue that the DDA may be entitled to receive.

**St. Regis Presentation - Ebby Eslami**

Ebby Eslami, partner of Brian Mahoney of St. Regis, L.L.P. came to update the board on their request to City Council to fund Right-of-Way improvements in conjunction with their rehabilitation project of the St. Regis.

The sidewalk in front of the Regis is badly damaged and water flows to the building at the crosswalks. Their proposal is to make improvements similar to Grand & 5<sup>th</sup> St. and include planters and other landscaping. They want to do a bulb-out at the crosswalks also. They would present this to City Council on August 4. The approximate cost of the improvements is \$32,000. The alley to Colorado Avenue, and then along Colorado Avenue to the parking lot is the area which is in need of improvement. The DDA should be receiving a cost estimate and plans and specs from Mark Ralph in Public Works.

The building's general construction plan is for condominiums and office space. The restaurant is under a lease agreement for four more years. Eventually, they would like to remodel the restaurant after their lease expires and change the type of restaurant. If the office space is only done on the first floor, there would be 10 condos available, and if the offices run up onto the second floor, there would be 8 condos.

The DDA is supportive of the project and would like to become more informed of the project before the Council meeting. Barbara and or the Executive Committee will review the details of the project. Bill Petty made a motion to show support for the sidewalk renovations for the St. Regis, and Bruce seconded the motion; motion carried. The project will be presented in detail to the board on the August 1 board meeting so that an official letter of support can be given to the St. Regis, L.L.P. for the August 4, City Council meeting.

### **City Council Dinner Discussion - TIF Project Review**

Attached as a permanent part of these minutes is the TIF Project review which will be discussed with City Council at the dinner meeting which is tentatively scheduled for September.

Barbara asked the board to check their calendars for dates they may be available in September, possibly the second week. Barbara will check the City calendar to set up a meeting and advise the board of the dates which may work for both parties. Tentatively set for September 4.

A letter was passed out to the board from Chadwick, Steinkirchner, Davis & Co. which confirms that the DDA may charge the capitalizable expenses for projects that are identified in the bond document. All reports to the Finance department will be accurate for reimbursement. It is not known if anything more than an action by the board is required if TIF projects are changed - this is something that Barbara will look into with Amy Kennedy, our bond counsel. When Amy met with the board during the refinancing, process she did say we could modify the project list. The DDA's main priority is development projects, such as the Mesa Theater, Avalon - and it may need to be clarified as to what each specific project is under in our bond project descriptions. No reimbursements to date have been submitted for the 96 bonds to the Finance Department. There is also a memo from Randy Booth describing our reimbursement status as capped at 10% - this memo is attached as a permanent part of these minutes.

The executive committee has advised Barbara to request 1996 reimbursement of \$17,000 in TIF funds.

Gene mentioned that once the development projects are up and running, the idea that the tax revenue from operating businesses would more than reimburse the City for funds allocated for the projects. City Council is interested in the projected revenue for reimbursement when new projects are presented to the Council for improvements.

### **Mill Tailings Site - Las Colonias Park**

Las Colonias Park; The Riverfront is planning a bridge ceremony on August 14, at noon on the OM end of the bridge. There is progress on the master plan for the park, and Barbara would have more information to present to the board at the next meeting. It is known that people want more open space multi- purpose fields.

### **Election of 97/98 Officers**

Chris entertained a motion for nominations for new officers.

Gene made a motion for Karen Hayashi for Chair, and Mark Hermundstad for Vice Chair. Bill seconded the motion; motion carried. Karen and Mark will be the new officers. The Executive Committee consults of the chair, Vice chair and past chair. This system has worked well and provided consistency.

### **DIRECTOR'S REPORT - Barbara Creasman**

#### **Avalon Theatre**

Barbara informed the board of the wrap-up on the lobby renovations. We did make an additional grant request of almost \$100,000 for exterior masonry repair, roof repair, and grid reinforcement. Funds are available to match the grant - \$75,000 in private foundation grants. Bacon - \$50,000, and Goodwin - \$25,000.

An open house is being planned for the public to show the new renovations, but it is not scheduled yet. May hold in conjunction with an Association social.

The feasibility grant was funded for the Hotel Melrose.

### **3<sup>rd</sup> & Main Amphitheater**

Originally, the electrical system was not put into the bid package, and Mark Relph from Public Works requested that the DDA pay for the \$2500 addition. Bill made a motion to approve the expense, Chris seconded the motion; motion carried.

### **Mesa Theatre**

There are many interested parties in the theater. Two or three are private. One is a theme restaurant, one is retail, and the third is a movie-house concept that Rhea Gavry is looking into. Another option is that an art group wants to have a multi-plex for performing artists.

One main concern is funding; the private and non-profit groups can get grants, but they are conditional - and Jon Schler of DOLA and Barbara met to discuss under what conditions these groups can take advantage of a grant. The historical society would most likely issue a grant for an actual theater to be rehabilitated before the retail concern because of the historic and cultural value to downtown. The inside of the building is poured concrete and would be almost impossible to change, it would have to be built over.

The DTA feels that the entertainment venue would be more beneficial to downtown and would be more supportive of this option.

The DDA needs to have very detailed information from an interested party before we could sponsor a grant. The historical society would probably not give private enterprise grant money for purchase, but may with a public entity such as the DDA. Rhea Gavry suggested that the DDA get the option however, there is concern about the groups capability of running the project to completion.

#### **Options for the Mesa Theatre for the DDA:**

1. Get a grant to purchase and rehabilitate the building and find someone to run it after initial restoration
2. Sponsor a grant for another party to rehabilitate the building
3. Do nothing and wait for someone else to purchase the building and not have any vested interest. Could still be asked to sponsor grant for buyer.

It was the consensus of the board that the movie or entertainment option is the highest priority & most benefit for DTA. The owner would need to give the DDA the option to purchase, and take it off the market. This would give the DDA a chance to be pro-active in rehabilitating the building and get movies back downtown which would generate more traffic downtown. This option of the theater would be more beneficial to the downtown community - and offer more diverse entertainment. This would not compete with the Avalon, as the Avalon is booked continually now, and movies would be shown only for a special event.

Chris made a motion to approve pursuing an option on the Mesa Theater, Becky seconded the motion; motion carried. Barbara and Chris will meet with Realtor Ward Scott to pursue this option.

**Museum Update**

Barbara mentioned that there would be an update on the museum design when the project is ready to bid.

**EZ Update - extension for Botanic Gardens & Museum**

The latest update is that the 25% credit may be extended for the Botanic Gardens and the Museum, and more information will be provided at a later meeting.

**ADJOURN**

Bruce Bengé made a motion to adjourn, Bill Petty seconded the motion, motion carried. The meeting was adjourned at 9:00 a.m.